

Motor Pool

2005-07 Business Plan

EXECUTIVE SUMMARY

This plan reflects the vision of the Motor Pool management team to create a six-year strategic plan that will serve as a guide in providing direction to the Motor Pool and to our customers as we anticipate future needs. This is a living document that will be modified and updated periodically to reflect changes in General Administration's direction, the changing needs of our customers, and changes in the automotive and equipment industry.

The Motor Pool's vision is to be the provider of choice for vehicles and fleet management services for state agencies. The Motor Pool is not a mandated service and state agencies currently have the option of obtaining these services from other sources. The Motor Pool must continually optimise its operations to be the best choice. The Motor Pool must also market the value of the Motor Pool to increase its business volume.

Activity Description

The State Motor Pool was created in 1975 by the Washington State Commission for Efficiency and Accountability in Government to "provide economic, efficient, and effective motor pool transportation services to state agencies." Motor Pool manages 1350 vehicles assigned to agencies on a permanent basis for their staff's use, a vehicle trip fleet for short term rental, and maintains and repairs the motor pool trip vehicles, many permanently assigned vehicles, as well as vehicles owned by the various state agencies. The Motor Pool also has a vehicle maintenance facility to maintain and repair vehicles in the Olympia area. (General Administration Services Account-Appropriated and Non-appropriated)

The Motor Pool has a biennial budget of \$18.77M and 16 FTE's.

Retrospective

The Motor Pool began purchasing new vehicles using certificates of participation, COP financing in FY04 instead of purchasing vehicles with cash. The initial years of utilizing lease-purchase have a relatively small principal and interest cost compared to outright purchase. This results in large rate reductions the first years. The principal and interest costs increase each year and the lease-purchase rate will be approximately 10% higher than the outright purchase rate after the 6th year. The Motor Pool rates will still be lower than other options after the 10% increase is realized. The choice to utilize lease-purchase was motivated by the Federal circular A-87 requirements for agencies with federal grants. The circular A-87 only allows rates to recover depreciation on existing vehicles and does not allow future value rates for the inflated price of the replacement vehicle. However, A-87 does allow for interest costs from lease-purchases.

The State of Washington owns approximately 13,000 passenger vehicles. 6,000 of these vehicles are owned by agencies with professionally managed fleets which are the Motor Pool, the Washington State Patrol, the Department of Natural Resources, and the Department of Transportation. The colleges and universities have approximately 2,000 vehicles. The remaining

5,000 vehicles are owned by various agencies and managed at various levels. Most of these agencies track the vehicle costs, but they do not manage their maintenance costs or have a vehicle replacement program. The Motor Pool believes that it could reduce the costs of these 5,000 vehicles if they were professionally managed by the Motor Pool. The Motor Pool needs to market their services to these agencies and either lease vehicles to these agencies or manage the vehicles owned by the agencies.

The Motor Pool is in the process of replacing the fleet management information system. The new system will provide better information to manage the fleet, improve the maintenance operations, and automate various processes. The information system will also be capable of managing additional vehicles more efficiently.

Prospective View

The Motor Pool will focus its efforts in six areas to provide better services and develop the management of vehicles in agencies without professional fleet management. These areas are:

Focus Area	Performance Measure
Customer Service	Reduce Vehicle Breakdowns
Process Improvement	Preventive Maintenance Compliance
Cost Reduction	Vehicle Rates, Cost per Mile
Marketing	Market Expansion
Stewardship	Vehicle Utilization, Fuel Efficiency
Alternate Fuels	Alternate Fuel Consumption

The major departmental initiatives to enhance these focus areas are described on pages 3 and 4.

Three issues could have a major effect on the future Motor Pool operations:

Pending state and federal energy legislation could affect the vehicles and fuel that the Motor Pool will be required to purchase.

The Personnel System Reform Act of 2002 will required the Motor Pool to demonstrate and maintain an acceptable balance of overall value versus cost. Customers expect service levels at or above those available in the private sector at lower costs than the private sector.

Budget reductions for customer programs may affect their usage of the Motor Pool.

The Motor Pool continues to be in a strong financial and operational position. The Motor Pool has the lowest rates compared to commercial vehicle rental companies and other government fleets. The rate structure guarantees funding for vehicle replacement, maintenance and operating costs. The strong employee commitment to excellence has created an organization that can compete with the best in the industry.

CUSTOMER SERVICE

Biennium	05-07	05-07	09-11
Goal:	Relocate Motor Pool	Develop On-line Reservation System	Analyse Satellite Vehicle Rental Centers
Strategies:	Investigate alternative locations on the Capitol Campus and Tumwater Area, determine the optimum location and cost	Utilize IS and new information system vendor to create reservation system, use commercial systems as model	Develop alliances with other agencies to house satellite rental centers.
Objective:	Occupy new facility by 6/06	Develop real-time, web based rental reservation system by 2/06	Establish rental locations in Seattle and Spokane by 4/11
Performance Measures	Percent completion of facility	Percent of system completed by 2/06	Number of satellite centers by 4/11
Responsibility	Fleet Administration and Maintenance	Fleet Administration	Fleet Administration

PROCESS IMPROVEMENT

Biennium	05-07	07-09
Goal:	Reduce Vehicle Breakdowns	Simplify Outside Maintenance
Strategies:	Develop method to track PM's and notify drivers of PM's due/past due	Develop "coupon book" for obtaining outside maintenance
Objective:	Achieve no more than 5% past due (1,000 miles past due) - 6/31/07	Reduce unnecessary maintenance to 3%, simplify billing by 3/08
Performance Measures	Percentage of PM's past due	Percentage of vehicles over-maintained
Responsibility	Fleet Administration	Vehicle Maintenance

COST REDUCTION

Biennium	05-07	07-09	09-11
Goal:	Reduce Maintenance Labor Rate	Recover Warranty Covered Repairs	Reduce Maintenance Labor Rate
Strategies:	Dilute Labor Overhead by Adding an Additional Mechanic	Investigate performing warranty work in-house	Reduce Indirect Maintenance Labor by minimizing in-direct labor
Objective:	Increase workload 33% and add an additional mechanic by 6/06	Recover 100% of labor and parts covered by warranty by 11/07	Achieve 75% direct labor hours by 6/10

MARKETING

Biennium	05-07	05-07	09-11
Performance Measures	Percent increase in workload by 6/06	Percent of warranty work recovered	Direct labor percentage
Responsibility	Vehicle Maintenance	Vehicle Maintenance	Vehicle Maintenance
Goal:	Increase Motor Pool Use	Increase Motor Pool Use	Motor Pool managing all non-professionally managed fleets
Strategies:	Develop a Marketing Program Advertise benefits of Motor Pool vehicles Transition agency owned fleets to Motor Pool	Develop Fleet Management Service for Agency Owned Vehicles	Create state policy for Motor Pool to manage fleets that do not have fleet management
Objective:	Increase Motor Pool fleet size by 140 vehicles by 8/07	Manage vehicles of two agencies - 10/06	All non-professionally managed fleets under Motor Pool management - 10/10
Performance Measures	Number of additional vehicles added to the Motor Pool	Number of agencies using the fleet management service	Number of fleets managing their own vehicles
Responsibility	Fleet Administration	Fleet Administration	Fleet Administration

STEWARDSHIP

Biennium	05-07	05-07	09-11
Goal:	Reduce use of water to wash vehicles	Maximize Trip Vehicle Utilization	Minimize single person trips
Strategies:	Install automated vehicle washing equipment with water recycling	Develop trip fleet size model Utilize commercial rental cars to optimize the trip fleet size	Develop on-line car sharing program for out-of town carpooling
Objective:	Reduce water usage and run-off from Motor Pool facilities 80% by 8/06	Optimize size of trip fleet to increase utilization 10% by 8/05	Reduce single person trips 15% by 10/10
Performance Measures	Percentage reduction in water usage	Increase in trip fleet utilization	Reduction in single person trips
Responsibility	Vehicle Maintenance	Fleet Administration	Fleet Administration

ALTERNATE FUELS

Biennium	05-07	07-09	09-11
Goal:	Develop Alternate Fuel Plan	Develop Alternate Fuel Sites	Investigate Hydrogen as Alternate Fuel
Strategies:	Participate a Western States Alternate Fuel Alliance	Work with other public agencies to establish alternate fuel site in Thurston County	Participate in fleet industry research of hydrogen
Objective:	Report on availability of alternate fuels and develop implementation plan - 11/06	Construct alternate fuel site in Thurston County by 5/09	Evaluate feasibility of hydrogen
Performance Measures	Percent of plan completed	Percent of fuel site complete	Percent completion of feasibility study
Responsibility	Fleet Administration	Fleet Administration	Fleet Administration